REMARKS

This Amendment is being filed in response to the Office Action mailed February 4, 2008, which has been reviewed and carefully considered. Reconsideration and allowance of the present application in view of the amendments made above and the remarks to follow are respectfully requested.

Claims 1-10 and 12-18 remain in this application, where claim

11 has been canceled by this amendment without prejudice and claims

16-18 have been added. Claims 1, 9 and 12-14 are independent.

Applicants reserve the right to reintroduce subject matter deleted herein at a later time during the prosecution of this application or continuing applications.

By means of the present amendment, claims 2-8 have been amended for non-statutory reasons, such as for better form including beginning the dependent claims with 'The' instead of 'A'. Such amendments to claims 2-8 were not made in order to address issues of patentability and Applicants respectfully reserve all rights under the Doctrine of Equivalents.

The Examiner indicated that the title of the invention was not sufficiently descriptive, and required a new title. In response,

the current title has been deleted and substituted with a new title in accordance with the Examiner's suggestion.

In the Office Action, the Examiner objected to the drawings for not labeling FIG 1 as Prior Art. It is respectfully submitted that although FIG 1 may be similar to that disclosed in European Patent Application No. 02076588.9, however FIG 1 is nevertheless different and not prior art as it includes features of the present invention. Withdrawal of the drawing objection is respectfully requested.

In the Office Action, the Examiner objected to the specification for certain informalities. In response, the specification has been amended to remove the informalities noted by the Examiner, as well as other informalities. Further, it is respectfully submitted that there is no statutory requirement to delete any embodiments from the specification. Accordingly, withdrawal of the objection to the specification is respectfully requested.

In the Office Action, claim 11 is rejected under 35 U.S.C. \$101 as allegedly directed to non-statutory subject matter.

Without agreeing with the position forwarded in the Office Action,

and in the interest of advancing prosecution, claim 11 is cancelled without prejudice. The cancellation of claim 11 renders moot the rejection under 35 U.S.C. \$101. Applicants reserve the right to reintroduce subject matter deleted herein at a later time during the prosecution of this application or continuing applications.

In the Office Action, claims 1-2, 6 and 9-15 are rejected under 35 U.S.C \$103(a) as allegedly unpatentable over WO 99/04498 (Davis) in view of U.S. Patent No. 5,848,391 (Bosi). Further, claims 3-5 are rejected under 35 U.S.C. \$103(a) as allegedly unpatentable over Davis in view of Bosi and U.S. Patent No. 6,691,082 (Aguilar). Claims 7-8 are rejected under 35 U.S.C. \$103(a) as allegedly unpatentable over Davis in view of Bosi and U.S. Patent Application Publication No. 2003/0035553 (Baumgarte). It is respectfully submitted that claims 1-10 and 12-18 are patentable over Davis, Bosi, Aguilar and Baumgarte for at least the following reasons.

Davis is directed to a split-band coding system that combines multiple channels of input signals into composite signals. As correctly noted by the Examiner on page 5 of the Office Action, Davis does not teach or suggest dealing with transients as recited

in the claims. Bosi is cited in an attempt to remedy the deficiencies in Davis.

Bosi is directed to a method for sub-band coding and decoding of audio signals using variable length windows. In particular, overlapping long window functions are replaced by overlapping short window functions in windows where the signal vary strongly with time.

It is respectfully submitted that Davis, Bosi, and combination thereof, do not teach or suggest the present invention as recited in independent claim 1, and similarly recited in independent claims 9 and 12-14 which, amongst other patentable elements, recites (illustrative emphasis provided):

determining a relevance of said transient by looking at a difference between first estimated spatial parameters derived from a first window that surrounds a transient location of said transient and second estimated spatial parameters derived from a second window around said transient location, the second window being shorter than the first window;

generating an encoded signal comprising the monaural signal and the one or more sets of spatial parameters; and

if said difference is larger than a threshold, then inserting in the encoded signal additional parameters estimated around said transient location.

Inserting in the encoded signal additional parameters estimated around the transient location, if the difference is larger than a threshold, is nowhere taught or suggested in Davis, Bosi, and combination thereof. Aguilar and Baumgarte are cited to allegedly show other features and do not remedy the deficiencies in Davis and Bosi.

Accordingly, it is respectfully submitted that independent claims 1, 9 and 12-14 are allowable, and allowance thereof is respectfully requested. In addition, it is respectfully submitted that claims 2-8, 10 and 15-18 should also be allowed at least based on their dependence from independent claims 1, 9 and 14.

In addition, Applicants deny any statement, position or averment of the Examiner that is not specifically addressed by the foregoing argument and response. Any rejections and/or points of argument not addressed would appear to be moot in view of the presented remarks. However, the Applicants reserve the right to submit further arguments in support of the above stated position, should that become necessary. No arguments are waived and none of the Examiner's statements are conceded.

PATENT

Serial No. 10/520,872

Amendment in Reply to Office Action mailed on February 4, 2008

In view of the above, it is respectfully submitted that the present application is in condition for allowance, and a Notice of Allowance is earnestly solicited.

Respectfully submitted,

Dicran Halajian, Reg 39,703 Attorney for Applicant(s)

May 2, 2008

THORNE & HALAJIAN, LLP

Applied Technology Center 111 West Main Street Bay Shore, NY 11706

Tel: (631) 665-5139 Fax: (631) 665-5101